



Commonwealth
of Massachusetts

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Office of Campaign and Political Finance

One Ashburton Place, Room 411

Boston, MA 02108

M-97-05

Issued: December 31, 1997

Revised: December 16, 2003

MEMORANDUM

TO: Interested Persons
FROM: Michael J. Sullivan, Director
SUBJECT: Indexing of Certain Contribution Amounts

Massachusetts General Laws Chapter 55, the campaign finance law, requires the director of the Office of Campaign and Political Finance to adjust two specific contribution limits every two years based upon the Consumer Price Index (CPI) calculated for the Greater Boston area.

The first is the limit on the amount an individual may contribute to a people's committee during a calendar year (M.G.L. c. 55, § 1). The second is the amount of any individual contribution that may be collected, i.e. bundled, by a regulated intermediary or conduit before certain disclosure requirements of the campaign finance law are triggered (M.G.L. c. 55, § 10A).

Both limits were set at \$100 per calendar year when first enacted by Chapter 43 of the Acts of 1994, which also required OCPF to index those figures biennially by December 31 of each odd-numbered year. The limits were increased to \$102 in December 1995, to \$108 in December 1997, to \$114 in 1999, and then to \$123 in 2001.

OCPF has computed the new limit for both amounts at \$132, effective Jan. 1, 2004. For calendar years 2004 and 2005, the maximum amount that an individual may contribute to a people's committee is \$132; the maximum amount of any individual contribution that may be gathered with other contributions and delivered to a candidate or candidate committee by a regulated intermediary or conduit without triggering reporting requirements is \$132.

This indexing was accomplished by using the most recent Consumer Price Index for All Urban Consumers, Boston-Brockton-Nashua, MA-NH-ME-CT area ("CPI-U, Boston") as determined by the U.S. Department of Labor, Bureau of Labor Statistics. The base figure of \$100 is adjusted by the increase (or decrease) in the CPI-U, Boston for the last available period for which the data are gathered. Thus, the biennial index is compiled by dividing the CPI-U, Boston figure from November 2003 (206.5) by the CPI-U, Boston figure from November 1994 (156.7). This result is multiplied by the base figure (\$100) to reach the new adjusted contribution limit of \$131.78, which is rounded to the nearest dollar amount of \$132.

For further information and guidance regarding this memorandum, please contact OCPF.